

***United States Attorney  
District of New Jersey***

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**FORMER GMAC AND COUNTRYWIDE LOAN OFFICER SENTENCED TO  
FIVE YEARS IN PRISON FOR ROLE IN MORTGAGE FRAUD CONSPIRACY THAT  
CAUSED \$7 MILLION IN LOSSES TO LENDERS**

NEW HAVEN, Conn. – A former loan officer at GMAC Mortgage and Countrywide Home Loans was sentenced today to 60 months in prison for his role in a mortgage fraud scheme arising from the purchases of more than 40 properties in New Haven, New Jersey U.S. Attorney Paul J. Fishman announced today.

Andrew Constantinou, 58, of Unionville, Connecticut, was previously convicted on April 18, 2014, of all counts charged in the indictment following a three-week trial before Chief U.S. District Judge Janet C. Hall. The jury found him guilty of conspiracy to commit mail, wire, and bank fraud. Judge Hall imposed the sentence today in New Haven federal court.

According to documents filed in this case and the evidence at trial:

From 2006 to 2008, Constantinou and others conspired to defraud mortgage lenders of millions of dollars of mortgage proceeds by inflating the contract price that the sellers of the properties had actually agreed to accept. The scheme involved multi-family properties in New Haven.

The lower sale price, which ranged from approximately \$30,000 to \$145,000 less than the contract price, was not disclosed to the lenders from which the buyers obtained financing to purchase the properties. In most of the fraudulent transactions, the buyers did not make any deposits or down payments. Constantinou and his conspirators used some of the fraudulently obtained mortgage proceeds to cover the down payments and deposits. At or shortly after a closing, the borrowers would often receive thousands to tens of thousands of dollars in cash back, although these payments were not disclosed to the lender.

Constantinou and his conspirators submitted to mortgage lenders false HUD-1 forms that often did not match another, undisclosed HUD-1 form that was actually used to disburse the fraudulently obtained proceeds at the closing. As a result of the submission of the false HUD-1 forms and other false documentation in support of the loan, including fictitious leases and false information about the borrower's assets and liabilities, the mortgage lenders would issue mortgages based on the inflated sales price.

Constantinou was a loan officer at GMAC Mortgage from 2006 to 2007 and at Countrywide Home Loans from 2007 to 2008. He submitted and received commissions from fraudulent loans as part of the scheme without disclosing the existence of inflated contract prices, secret contract addenda that contained large repair credits, false leases, and other false documentation.

Constantinou worked with an unindicted conspirator, who was a licensed mortgage broker, to originate additional loans as part of the conspiracy. Constantinou and the mortgage broker were former partners at C&S Mortgage and had agreed, by the terms of a 2004 settlement agreement with the Connecticut Department of State Banking, to receive no commissions or money from each other. Notwithstanding that settlement agreement, Constantinou engaged in this mortgage fraud scheme by referring fraudulent transactions to the mortgage broker who, in some instances, paid kickbacks to Constantinou through a shell company and the account of Constantinou's daughter.

Nearly all of the properties purchased as part of this conspiracy went into default and have been foreclosed upon, causing losses of more than \$7 million to lenders.

In addition to the prison term, Judge Hall sentenced Constantinou to serve five years of supervised release and pay restitution of \$2.1 million. As a condition of supervised release, he may not directly or indirectly engage in or participate in any aspect of the business of mortgage lending. He will self-surrender to the Bureau of Prisons in mid-February.

Ten defendants have been charged and convicted for their participation in this mortgage fraud conspiracy, including two loan officers, four attorneys, and a real estate agent. Genevieve Salvatore, Bradford Rieger, Lawrence Dressler, Kwame Nkrumah, and Jacques Kelly have each been sentenced. Menachem Yosef Levitin, Ronald Hutchison Jr., Charles Lesser, and Jeffrey Weisman each await sentencing.

U.S. Attorney Fishman credited the FBI, the U.S. Postal Inspection Service, the U.S. Department of Housing and Urban Development – Office of Inspector General, and the Federal Housing Finance Agency – Office of Inspector General, which identified multiple Fannie Mae and Freddie Mac loans that went into foreclosure, with the investigation leading to today's sentencing.

The government is represented in the criminal cases by Assistant U.S. Attorney David T. Huang and Special Assistant U.S. Attorney John McReynolds of the U.S. Attorney's Office, District of Connecticut; the parallel civil forfeiture cases are being handled by Assistant U.S. Attorney Julie G. Turbert, U.S. Attorney's Office, District of Connecticut. The U.S. Attorney for the District of New Jersey has been overseeing the case because of the recusal of the U.S. Attorney's Office for the District of Connecticut.

To report financial fraud crimes, and to learn more about the President's Financial Fraud Enforcement Task Force, please visit [www.stopfraud.gov](http://www.stopfraud.gov).

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